

# MEDIA RELEASE



International Organization of Securities Commissions  
Organisation internationale des commissions de valeurs  
Organização Internacional das Comissões de Valores  
Organización Internacional de Comisiones de Valores  
المنظمة الدولية لهيئات الأوراق المالية

IOSCO/MR/32/2019

Madrid, 16 December 2019

## **IOSCO consults on measures to reduce conflict of interests in debt capital raising**

The Board of the International Organization of Securities Commissions (IOSCO) is requesting feedback on proposed guidance to help IOSCO members address potential conflicts of interest and associated conduct risks arising from the role of market intermediaries in the debt capital raising process.

Conflicts of interest and associated conduct risks can weaken investor confidence and undermine debt capital markets as an effective vehicle for issuers to raise funding. To help regulators identify and address these risks, IOSCO today published the consultation report [\*Conflicts of interest and associated conduct risks during the debt capital raising process.\*](#)

Among other things, the consultation seeks public comments on the use of Distributed Ledger Technology (DLT) in bond issuances and the potential benefits and risks of using this technology, including for managing conflicts of interest.

The report describes the key stages of the debt raising process where the role of intermediaries might give rise to conflicts of interest. The proposed guidance is comprised of eight measures grouped according to three key aspects of the debt raising process:

- pricing of debt securities and risk management transactions
- quality of available information to investors
- allocations of debt securities

While the guidance focuses on traditional corporate bonds, it may prove useful to IOSCO members considering raising capital through other types of debt securities.

The guidance is the second part of a two-stage project on conflicts of interest in capital raising. The first stage focused on the equity capital raising process with the final report [\*Conflicts of interest and associated conduct risks during the equity capital raising process\*](#) being published in September 2018.

IOSCO welcomes comments on this consultation report **on or before 16 February 2020**.

## NOTES TO THE EDITORS

1. IOSCO is the leading international policy forum for securities regulators and is recognized as the global standard setter for securities regulation. The organization's membership regulates more than 95% of the world's securities markets in more than 115 jurisdictions and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of the International Organization of Securities Commissions (IOSCO) and is made up of 34 securities regulators. Ashley Alder, the Chief Executive Officer of the Securities and Futures Commission (SFC) of Hong Kong, is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Argentina, Australia, Belgium, Brazil, China, Egypt, France, Germany, Hong Kong, India, Indonesia, Ireland, Italy, Japan, Kenya, Malaysia, Mexico, Ontario, Pakistan, Panama, Portugal, Quebec, Saudi Arabia, Singapore, South Korea, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, United Kingdom, and United States of America (both the U.S. Commodity Futures Trading Commission and U.S. Securities and Exchange Commission). The Chair of the European Securities and Markets Authority (ESMA) and the Chair of IOSCO's Affiliate Members Consultative Committee are observers.
3. The Growth and Emerging Markets Committee is the largest Committee within IOSCO, representing over 75 per cent of the IOSCO membership, including 10 of the G20 members. Dr. Obaid Al Zaabi, Chief Executive Officer, Securities and Commodities Authority, United Arab Emirates and Vice Chair of the IOSCO Board, is the Chair of the GEM Committee. The Committee brings members from growth and emerging markets together and communicates members' views and facilitates their contribution across IOSCO and at other global regulatory discussions. The GEM Committee's strategic priorities are focused, among others, on risks and vulnerabilities assessments, policy and development work affecting emerging markets, and regulatory capacity building.
4. IOSCO aims through its permanent structures:
  - to cooperate in developing, implementing and promoting internationally recognized and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
  - to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and

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- to exchange information at both global and regional levels on their respective experiences in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

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